

# CHAPTER 3. ACCESS, PARTICIPATION, AND NONPARTICIPATION

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This chapter focuses on how parents gain access and participate in the Parents' DIC benefit program. It also addresses the issue of nonparticipation—how many eligible parents fail to participate. Parents most often apply to the program either due to a new need brought on by the death of a veteran son or daughter, or because they recently became aware of the program's existence. Parents also apply for benefits to offset the effects of serious illness, because they lack sufficient resources to pay for living expenses, and because their own savings and investments are depleted.

## A. HOW DO PARENTS BECOME AWARE OF THE PARENTS' DIC PROGRAM?

Overall, a majority of the surveyed parent respondents became aware of the Parents' DIC program through VA. Exhibit 3.1 presents the most cited information sources for finding out about the Parents' DIC program. Almost half of the respondents aged 65 and older report that they learned about the benefits from VA (Appendix C, Table 7). Less than 3 percent of the respondents heard about the program from a Social Security office, senior center, nursing home, funeral home, or from other veterans; no one learned about the program from the VA Web site.

**Exhibit 3.1. The Most Cited Information Sources for Finding Out About the Parents' DIC Program**

Organizations or Individuals	Percentage
VA	48%
Military	17%
Family	13%
Veterans Service Organizations	10%
Friends	5%
Not sure where they first found out about the Parents' DIC program	10%

*Source: Survey of Parents' DIC Participants, Appendix C, Table 7*

## B. WHAT ARE THE CIRCUMSTANCES LEADING UP TO PARENTS' PARTICIPATION IN THE PROGRAM?

Parents most often apply to the program either because of a financial need brought on by the death of their veteran son or daughter, or because they recently became aware of the program's existence. Parents also apply for benefits to offset the effects of serious illness, because they lack sufficient

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resources to maintain their lifestyle, and because their own savings and investments are depleted. The death of their veteran son or daughter is a main catalyst for most parents (81%) applying for the benefits offered through the Parents' DIC program. A little more than one-fourth of the parents (27%) applied for the Parents' DIC benefits because they had just found out about the program. Serious illness, deteriorating health, or chronic health conditions are the third most prevalent reason for applying for the benefits (24%). Some parents applied because they had insufficient income (21%) or no investments or savings (10%) to draw on to support themselves. About 10 percent of parents applied because they used up their personal assets and savings to provide for themselves (Exhibit 3.2). Among the parents who applied for benefits, only 7 percent (82 respondents) did so because they stopped working. Most of the parents who stopped working did so for health reasons or because of a disability that prevented them from working (63% of those who stopped working). Half of the parents who stopped working were previously supported by a veteran. Half of the nonworking parents were aged 65–79.

**Exhibit 3.2. Reasons Most Cited by Parents for Applying for Benefits**

<b>Circumstances That Lead Parents to Apply for VA Benefits</b>	<b>Percentage</b>
<b>Death of the veteran</b>	81%
<b>Found out that they might be eligible for the benefits</b>	27%
<b>Serious illness, deteriorating health, or chronic health condition</b>	24%
<b>Insufficient income and no investments, savings, or assets</b>	21%
<b>Used up investments, savings, or assets</b>	10%

*Source: Survey of Parents' DIC Participants, Appendix C, Tables 4, 4.6.1*

### C. WHAT IS THE APPLICATION EXPERIENCE?

The overall percentage of parents who applied to the program since 2000 is small—2 percent or 22 survey respondents. This percentage is the same as for the total population of parents, 2 percent of whom began receiving VA benefits since 2000. The recent beneficiaries were asked in the survey to recall their application experiences as a way to ascertain the conditions under which parents apply for the program. Slightly more than one-third of these 22 respondents (36%) indicated that they needed someone else to apply to the program on their behalf. Equal percentages of parents (27%), either filled out an application and mailed it in or applied for VA Parents' DIC benefits in person (Appendix C, Table 9). No one applied for VA benefits using the Internet, and 5 percent of the respondents applied through some other means.

Ninety percent of recent Parents' DIC applicants (N = 22) used a person or organization to help them complete the application. The most used source of assistance is VA (50%), followed by Veterans Service Organizations (VSOs) (20%), and family members (10%). Those who previously depended on a veteran for support were slightly less likely to use VA and more likely to rely on friends and family to complete their application. At least 60 percent of those aged 65 and older recall relying on VA to help them complete their application (Appendix C, Table 10.1).

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Recent program beneficiaries (who began receiving benefits since 2000) were asked to recall their experiences in the VA application process. Despite the small number of recent program enrollees who participated in the survey (N = 22), these parents' enrollment experiences suggest that most new beneficiaries perceive the application process as being relatively easy, with some degree of difficulty encountered in getting responses back from VA on the status of application forms and in completing the necessary income and medical documentation.

A majority of newly enrolled parents had positive experiences trying to find out about VA benefits; 64 percent of them rate this process as easy, and 32 percent believe it to be difficult (Appendix C, Table 76). A majority of these parents also rate other components of the application process as relatively easy, including getting help from either VA or VSO staff in obtaining information (68%), filling out the application (68%), and completing and sending other forms and documents needed to prove eligibility (64%). Less positive ratings are given to the processes of getting information from VA about the status of the application in the review process (55%) and completing and sending medical expense documents (46%). An equal percentage of parents receiving VA benefits since 2000 find the time between applying for and receiving benefits to be either longer or shorter than expected (23%), while slightly more parents (32%) find the wait time to be what they expected (Appendix C, Table 77).

### **D. HOW MANY PARENTS WILL PARTICIPATE IN THE FUTURE?**

In accordance with the study requirements, we provide a projection of the number of parents who will be receiving Parents' DIC benefits through 2014. During the early phases of our analysis and data collection, the VA Office of the Actuary recommended that the study team use a recent PricewaterhouseCoopers report that projects future benefit liabilities in conjunction with VA's financial statements. This report includes a projection of the number of parents (fathers and mothers) who will be on the Parents' DIC rolls through 2025. The projections are based on a veteran population projection referred to as VetPop2001. The projections assume a continuing improvement in life expectancy.

We reviewed the report and the underlying projection assumptions and methods and concluded that the report presents valid projections of the number of Parents' DIC beneficiaries. We used the PricewaterhouseCoopers report as a basis for projecting the duration or average number of years that a surviving parent will receive Parents' DIC once they qualify.

Exhibit 3.3 summarizes the projection of the number of beneficiaries and the duration of benefits, showing results for 2003, 2005, 2010, and 2014. Over time, the number of parents leaving the rolls due to death is greater than the number of new awards; therefore, the total number of beneficiaries steadily declines. The last column in Exhibit 3.3 shows the projected number of beneficiaries if all eligible parents participated. This projection is obtained by incorporating the results of our analysis of the unserved population that is presented in the next section.

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**Exhibit 3.3. Projection of Number of Parents' DIC Beneficiaries and Duration of Benefits**

Year	Number of Beneficiaries	Average Duration at Year End (Years)	Number of Beneficiaries if All Eligible Parents Participated
2003	8,800	15.2	110,800
2005	7,000	15.9	104,000
2010	6,200	16.7	92,200
2014	5,600	17.0	83,600

*Source: Study Team from VBA data and PricewaterhouseCoopers Report*

### E. HOW MANY ELIGIBLE PARENTS DO NOT PARTICIPATE IN THE PARENTS' DIC PROGRAM?

One research question in the study asks how many unserved parents would be eligible to receive Parents' DIC benefits if they applied. Estimating the number of unserved parents was a complex analysis that required many assumptions. We used data from VetPop2001 to establish the potentially eligible population of parents, and data from the Current Population Survey (CPS) to estimate the number of potential eligibles who were below the income limits to receive benefits. The following section summarizes the key analytical steps and assumptions. A complete description of the method is in the September 29, 2004 Memorandum of Understanding available from the Office of the Actuary at VA.

The study team first estimated the number of parents of deceased veterans who met all the conditions for qualification, except the income limits, when the veteran died. The number of parents alive at the time of the veteran's death was adjusted for the probability that the mother and/or father were still alive. These parents were grouped into three categories: mother only surviving, father only surviving, or both parents surviving. This number was further reduced by the probability that the surviving parents were below the income level needed to receive Parents' DIC payments.

The results of the projection are in Exhibit 3.4. The exhibit shows the mean number of parents eligible but not receiving Parents' DIC benefits for each fiscal year as well as the low and high estimate of that number. It also shows the low and high estimates of the unserved parents using a Monte Carlo statistical method with a range of estimation error on the primary variables. The estimation of error for the variables increases by 1 percent with each projection year, so the low and high estimates diverge from the mean with each additional projection year.

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**Exhibit 3.4. Estimated Unserved Parents' DIC Population**

Fiscal Year	Low Estimate	Mean Estimate	High Estimate
2002	94,000	105,000	115,000
2003	90,000	102,000	113,000
2004	87,000	99,000	111,000
2005	84,000	97,000	110,000
2006	80,000	94,000	108,000
2007	77,000	92,000	107,000
2008	74,000	90,000	106,000
2009	70,000	88,000	105,000
2010	67,000	86,000	104,000
2011	64,000	84,000	104,000
2012	60,000	82,000	103,000
2013	57,000	80,000	103,000
2014	53,000	78,000	103,000

*Source: Current Population Survey, VetPop 2001 and Social Security Data  
Estimates rounded to the nearest thousand*

## F. WHAT ARE THE REASONS FOR NONPARTICIPATION?

About one-third (32%) of the parents describe themselves as being eligible to participate in the program years before they actually enrolled. About half of these parents (48%) did not know that the program existed and whether they were eligible to participate. This lack of knowledge about the benefits is the primary reason why most parents did not apply sooner. Fifteen percent of the surveyed parent respondents stated that they simply are not sure about why they did not apply for benefits earlier, while 12 percent of them believed that they were not eligible for the program. Pride may also have been a factor in parents deciding not to apply for the benefits sooner, since nearly 10 percent of the respondents who were eligible for benefits indicated that they did not want or need the benefit. About 14 percent of the parents who are under 65 also suffered from depression, were going through bereavement, and were coping with the loss of their veteran children (Appendix C, Table 8.2). Exhibit 3.5 presents the reasons parents cite the most for not applying to the Parents' DIC program sooner. It is important to highlight that most parents are not recent participants (44% have been receiving VA benefits for more than 20 years and 61% have been receiving VA benefits for more than 10 years). Therefore, respondents might have had some difficulties recalling the exact reasons why they did not apply for the benefits right away. At the same time, the fact that so many parents were able to recall specific reasons for delaying benefits is an indication that these reasons were significant enough for parents to remember for a long time.

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Exhibit 3.5. Reasons for Not Applying for Parents' DIC Benefits Sooner

Reasons	Percentage of Parents Who Were Eligible for Benefits Before They Applied
Was not aware of VA benefits	48.0%
Thought I would not be eligible	12.4%
Did not want or need VA benefits	9.8%
Depression, bereavement, or coping with loss	7.1%
Did not know how to apply	5.6%
Was found ineligible earlier	3.5%
Delay in getting forms/documents needed to prove eligibility	1.3%
Difficulties filling out application and forms	1.3%
Delays in obtaining information for the application	0.5%
Other	1.3%
Don't know or not sure	14.9%
Refused to answer	0.8%
<b>Total Parents Eligible Before Applying</b>	<b>396</b>

Source: Survey of Parents' DIC Participants, Appendix C, Table 8.2

## G. HOW DIFFICULT IS IT TO FIND ELIGIBLE, NONPARTICIPATING PARENTS?

The study methods included focus groups to elicit information on reasons for nonparticipation. We targeted the Los Angeles and Washington, DC areas to locate eligible nonparticipants. In Los Angeles we focused on a low-income elderly housing project subsidized by HUD. Of the 1,200 residents, none identified themselves as individuals potentially eligible for Parents' DIC benefits, although six veterans and spouses did identify themselves as eligible for VA pension benefits. We secured the services of a local market research organization to recruit a group of individuals who might be caring for eligible parents. Their efforts produced caregivers who managed the affairs of 12 veterans and spouses, but no parents.

According to the Census 2002 Supplementary Survey Profile of the United States, there were 33.6 million people age 65 and older. The 75,887 unserved parents, most of whom are over age 65, is equal to less than one-half of 1 percent of the total number of people over age 65. Given the relatively small number of eligible nonparticipants, their age, and their health condition, it is not surprising that they are difficult to locate and reach. The focus group recruitment effort mimics the low rate of participation in the Parents' DIC program.

The focus group findings for veterans and spouses, however, provides some insights into the barriers to participation that are likely to apply to potential Parents' DIC applicants. They are the following:

- ♦ The greatest barrier to participation is that eligible applicants do not make the connection between military service and eligibility for program.

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- ◆ The time between military service and the need for the benefit further blurs this connection.
- ◆ For individuals who receive other Federal benefits, there is concern that receiving any assistance from VA will only reduce other benefits, making it not worthwhile to pursue. That is a valid concern, since many other Federal need-based programs count VA benefits as additional income, thereby reducing existing Federal need-based assistance.
- ◆ Many of the elderly eligible parents may not have the education, application completion skills, or self-advocacy skills necessary to pursue these benefits.
- ◆ Many participating parents are housebound and not likely to seek benefits.
- ◆ Among current participants, there is stigma about receiving Federal welfare assistance. Among the Parents' DIC program participants who do not receive other Federal assistance, 45 percent report that they would feel ashamed if they had to rely on welfare (Appendix C, Table 67). By comparison, only 32 percent of the eligible elderly (over age 60) population receive food stamps; stigma is a major reason cited by the U.S. Department of Agriculture (USDA) for this occurrence. Parents may not seek this (or other benefits) because of stigma.

## H. SUMMARY

Parents learn of the Parents' DIC program primarily from VA. The Veteran Service Organizations are the second most frequent source of information about the program. In 2003, participation in the program stands at 8,803, a decline from 2002, and the number of participants is expected to decline further given the low level of new enrollments. We estimate that only 8 percent of eligible parents now participate in the program, and 7 percent will participate in 2005. About one-third of the participants were eligible years before they applied for and began receiving benefits, primarily because they did not know about the program. VA's methods of revealing the program's existence are discussed in Chapter 7, Operations. Given the current participation level, it does not appear that the outreach methods are effective as this program is serving only a fraction of the eligible parents.





# CHAPTER 4. DESCRIPTION OF PARTICIPATING PARENTS

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This chapter provides a profile of the Parents' DIC program participants. It analyzes and describes the population of program beneficiaries, including new enrollees. Illustrative exhibits accompany a descriptive discussion of the participants' characteristics to provide an understanding of the context that parents live in and the circumstances shaping their lives. First, a demographic profile of the parents that discusses the overall status of parents—including their gender, education, living arrangements, and the details of their health conditions and insurance—is presented. Then, the employability of parents is addressed, as it can directly affect their eligibility and participation in the Parents' DIC program.

Most DIC parents are elderly (90% are over age 65) widows (64%) with low levels of education. Close to half report their race as non-White, a proportion substantially higher than the general<sup>1</sup> population and the veteran population. Close to two-thirds live alone and nearly half own their homes. Nearly one-fourth live with adult children. The education level of DIC parents is low—nearly three-fourths do not have a high school diploma and close to half have an education of eighth grade or lower. Given their ages and educational levels, few parents are employed or seeking work. Their low education levels suggest that their poor economic situation is a chronic condition rather than a recent event. Nearly half of the parents relied on the veteran for financial support when he or she was alive. Fewer than 10 percent are under age 65; the majority of these parents give health problems as the reason for not working. Three-fourths of parents have serious health problems, with an average of four serious health problems. Their age and health status lead to physical isolation—slightly more than half stay at home most of the time due to health problems and disabilities, and another 10 percent stay in bed most of the time for these reasons. About two-thirds have difficulties walking and climbing stairs. They also require assistance with activities of daily living such as shopping, preparing food, and cleaning. Most assistance comes from adult children and other relatives. Nearly all parents have some type of health insurance coverage, which is most often Medicare, given their ages. A small minority (4.2%) does not have health care coverage, and less than 1 percent report that they do not use any health care services because they cannot afford it. The primary health care services used by Parents' DIC program participants are doctor visits, prescription medicines, eye exams and glasses, and laboratory tests. The least used types of care include dental care, home health aides, and visiting nurses.

## A. WHO RECEIVES PARENTS' DIC BENEFITS?

Of the 1,237 parent respondents, about half (49%) indicate that they previously relied on the financial support of their veteran child before his or her death. The largest age group of respondents is aged 65–79 (47%), followed closely by those aged 80 or older (43%). Slightly more than 40 percent of respondents receive \$100 or less in monthly DIC benefits, including the lowest award amount, \$5. Exhibit 4.1 presents the basic characteristics of respondents by award level, age, and dependence on a veteran for support (Appendix C, Table 0).

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<sup>1</sup> The United States population was 76 percent White in 2002 (2002 Current Population Survey). The veteran population in 2001 was 86 percent White (National Survey of Veterans, 2001).

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**Exhibit 4.1. Basic Characteristics of Respondents by Award Level, Age Group, and Dependence on a Veteran for Support**

Parent Characteristics	Percentage	Number
Receive \$5 monthly Parents' DIC benefit	29%	356
Received support from their veteran child before his or her death	49%	601
<b>Monthly Parents' DIC benefit amount</b>		
\$100 or less <sup>a</sup>	43%	530
\$100–\$400	41%	503
\$400 or more	17%	204
<b>Age group</b>		
64 and younger	10%	121
65–79	47%	586
80 and older	43%	530

<sup>a</sup> Data presented for the \$100 or less award level includes respondents receiving \$5.

Source: Survey of Parents DIC Participants, Appendix C, Table 0

Overall, 94 percent of respondents are female. A majority of the parents surveyed (57%) identify themselves as White, while slightly more than one-third (38%) of respondents are African American, the largest minority group among those surveyed. Nearly 5 percent of the respondents are of Spanish, Hispanic, or of Latino descent. Interestingly, as program participants' age increases, the racial background of participants also changes. While participants aged 64 years or younger (121 respondents) are evenly divided among White and African American beneficiaries (48%), among parents who are 80 years of age or older (530 of those surveyed), only 36 percent of the respondents are African American, compared with 61 percent of White respondents in the same age group (Appendix C, Table 24). Overall, the average age of respondents is 77. Those in the 64-and-younger age group have an average age of about 61, while the parents in the 65–79 age group have an average age of 74. Those 80 and above have an average age of approximately 85 (Appendix C, Table 24).

Participating parents are not highly educated. Forty-three percent of parents achieved an eighth-grade education or lower, and 30 percent had some high school education and no diploma. Older parents are the least educated among the survey respondents. As the age of the respondents increases, so does the percentage indicating lower educational attainment. A majority (55%) of those aged 80 or older have an eighth-grade education or less, as do slightly more than one-third of those aged 65–79, as Exhibit 4.2 illustrates. Almost half of the 204 respondents receiving \$400 or more in benefits also have an eighth-grade education or lower (Appendix C, Table 24).

Exhibit 4.2 depicts the marital status of parent respondents. While most parents interviewed (65%) have been widowed for an average of 22 years, close to half of the youngest parents are divorced or separated. As the amount of VA benefits increases, so does the percentage of parents who are not married. Being married is likely to increase the total household income and decrease the benefit. Married parents comprise 13 percent of those with \$100 or less in benefits, 8 percent of parents with \$100–\$400, and 3 percent of those receiving more than \$400. Conversely, widowed parents comprise 67 percent of those with \$100 or less in benefits, 64 percent of parents with \$100–\$400, and 62 percent of those receiving more than \$400.

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Sixty-three percent of parents live by themselves, as they indicate that no other individuals reside with them. More than half (59%) of the parents who relied on support from a veteran before that veteran's death live by themselves. Among the 459 respondents who do have other people living with them, 22 percent live with adult children, 9 percent have a spouse, and 8 percent have grandchildren living with them. One-fourth of those receiving \$400 or more live with an adult child (26%), as do those aged 80 or older (25%). Ten percent of parents who previously relied on a veteran for support have grandchildren living with them, as do 15 percent of those aged 64 or younger. Compared with the overall survey sample, almost twice as many parents (16%) receiving \$5 or less in benefits have a spouse living with them, and 19 percent of those aged 64 or younger have a spouse (Appendix C, Table 51).

**Exhibit 4.2. Summary of Parent Respondents' Demographic Characteristics**

Selected Demographic Characteristic	Overall Percentage	Percentage by Age Group		
		64 and Younger	65–79	80 and Older
Gender				
Female	94%	92%	95%	93%
Male	7%	8%	5%	7%
Race/Ethnicity				
White	57%	48%	55%	61%
African American	38%	48%	39%	36%
Spanish, Hispanic, or Latino	5%	2%	5%	4%
Asian	1%	2%	0%	0%
Native Hawaiian, other Pacific Islander, American Indian, or Alaskan Native	1%	1%	1%	1%
Other	2%	1%	3%	2%
Marital status				
Widowed	65%	20%	61%	79%
Divorced	18%	43%	22%	8%
Married	9%	19%	9%	8%
Never married	4%	12%	3%	2%
Separated	3%	5%	4%	2%
Education				
Eighth grade or lower	43%	26%	36%	55%
Some high school, no diploma	30%	27%	37%	22%
High school diploma or GED	16%	22%	16%	15%
Some college	5%	12%	5%	3%
Trade/Vocational training	3%	7%	2%	2%
Receive aid and attendance benefits	10%	3%	7%	15%
Total Sample	1,237	121	586	530

Source: Survey of Parents' DIC Participants, Appendix C, Tables 19 and 24

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The survey data indicate that, for the most part, parents either are homeowners or reside in a house. More than half of parent respondents (59%) live in a house, while about one-fourth (24%) reside in an apartment. About half of the respondents (48%) own their home. However, home ownership decreases among those receiving the largest award amounts. Only one-third of those receiving benefits of \$400 or more own their home. Among parent respondents, 33 percent reside in a rental property or pay rent, while 12 percent live with another person without paying rent. Nearly 6 percent of the respondents live in a nursing home, assisted living center, or other group setting. Notably, a much larger percentage of parents (19%) who live in nursing homes or assisted living facilities also receive the largest award amounts—\$400 or more (Appendix C, Tables 49 and 49.1). Exhibit 4.3 presents the five most identified living arrangements among parents.

**Exhibit 4.3. Five Most Frequent Housing Arrangements of Parents**

Current Living Arrangements	Percentage
Live in a house	59%
Live in an apartment	24%
Live in a recreational vehicle, mobile home, or trailer	8%
Live in a nursing home	4%
Live in a room in someone's home	2%

*Source: Survey of Parents' DIC Participants, Appendix C, Table 49*

## B. WHAT IS THE HEALTH STATUS OF PARENTS?

The analysis indicates that a majority of parents are in fair to poor health, experience a combination of physical limitations and health problems, and need assistance with activities of daily living. Slightly more than half of all the parents surveyed indicate that they stay at home most of the time due to their poor physical condition and limitations, with larger percentages of those who formerly depended on the support of a veteran and those receiving the largest award amounts being homebound. Most parents rely on a family member to help them manage their physical challenges, including the daily tasks of self-care and self-sufficiency.

### I. What is the status of parents' health?

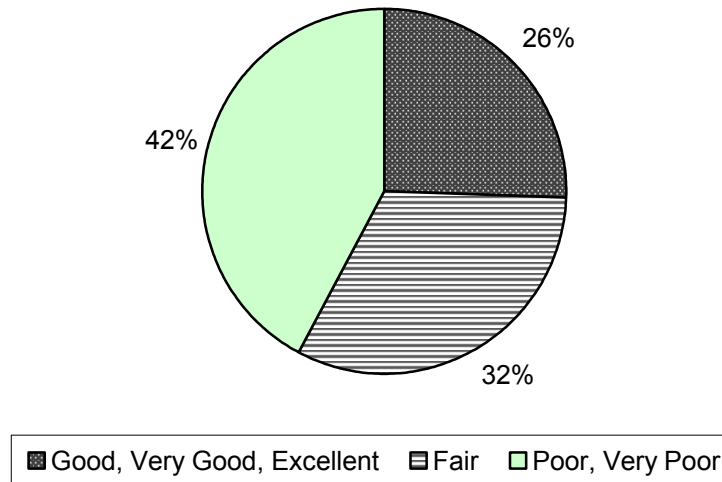
Nearly half (42%) of parent respondents rate their health as poor or very poor. Almost one-third (32%) consider their health to be fair, and one-fourth (26%) rate their health as good, very good, or excellent. A slightly higher percentage of parents who received support from a veteran (601 respondents) indicate that they are in poor or very poor health (45%), while 50 percent of the 204 respondents receiving \$400 or more in benefits indicate poor or very poor personal health (Appendix C, Table 33).

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**Exhibit 4.4. Parents' Ratings of Their Current Health Status**



*Source: Survey of Parents' DIC Participants, Appendix C, Table 33*

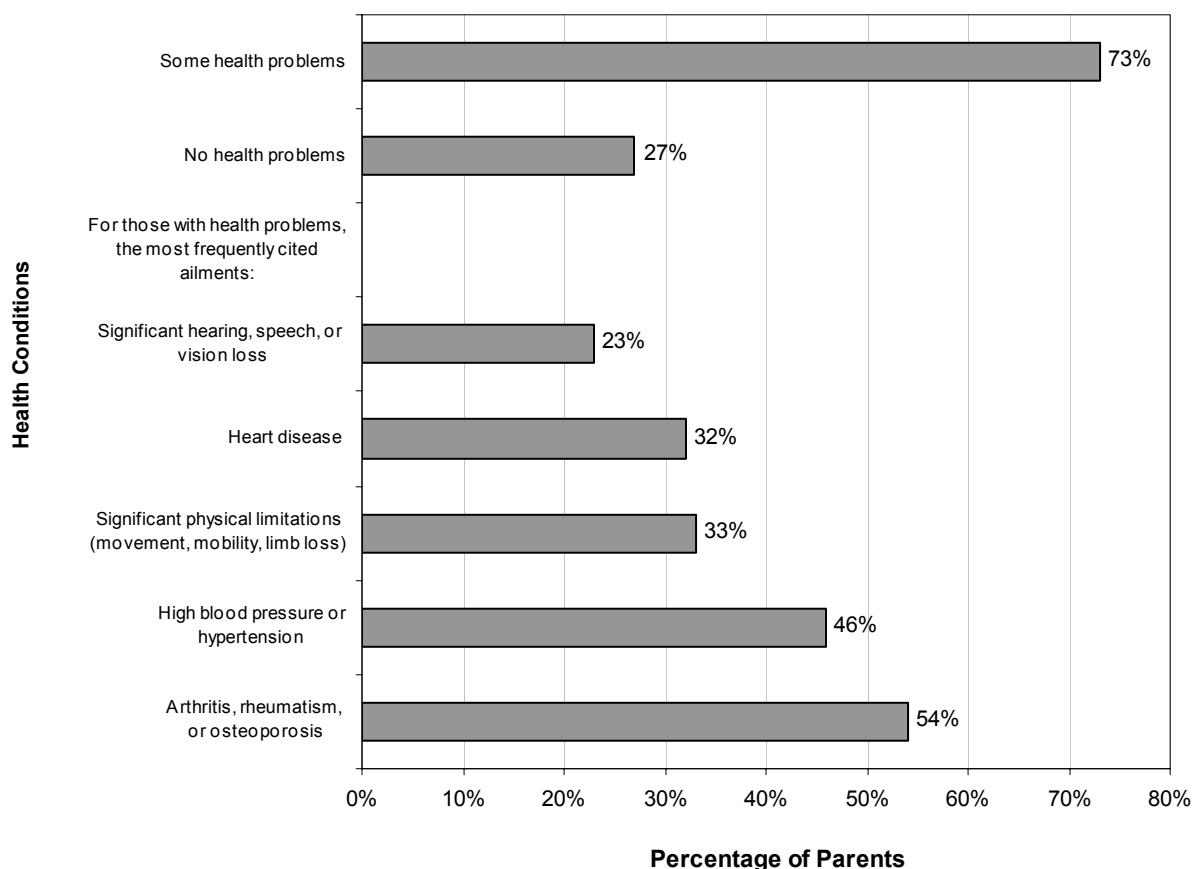
### 2. What types of health problems do parents experience?

Most parents (73%) have at least one serious health problem that they cope with daily. However, the analysis indicates that parents suffer from an average of four serious health problems concurrently. A slightly higher percentage of those who previously relied on a veteran for support (77%), those who receive the largest award amounts (83%), and those who are 64 years old or younger (80%) have some health problem (Appendix C, Table 33.1). The five most frequently noted health problems appear in Exhibit 4.5.

As Exhibit 4.5 indicates, slightly more than half of the parents participating in the program (54%) have arthritis, rheumatism, or osteoporosis, while hypertension or high blood pressure is the second most noted ailment parents suffer from (46%). At least 50 percent of the parents who had support from a veteran and those receiving awards of \$100–400 report suffering from the top two most cited ailments (Appendix C, Table 33.1).

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**Exhibit 4.5. Health Problems Faced by Parents Receiving VA Benefits**



Source: Survey of Parents' DIC Participants, Appendix C, Table 33.1

### 3. What are parents' physical limitations?

Physical limitations are a challenge that parents enrolled in the Parents' DIC program face. Two-thirds of all the parents surveyed (67%) have a physical limitation that affects their activities of daily living. Overall, a little more than half of all the respondents (55%) stay at home most of the time due to disabilities or health problems, and nearly half (48%) have difficulties climbing a flight of stairs. VA provides aid and attendance benefits to those who need medical assistance. We compared parents' survey responses about whether they stay at home or stay in bed most of the time due to disabilities with VA's administrative records that indicate whether parents also receive aid and attendance benefits. Thirteen percent of those who stay at home also receive aid and attendance benefits, according to VA's records (Appendix A, Table 33.2). About one-fourth of those who stay in bed most of the time due to health problems receive aid and attendance benefits from VA.

These findings suggest that not all those who need additional assistance are receiving it. However, the findings must be tempered with the fact that those who state a need for assistance may not have a need from a medical perspective, which is the standard VA uses for determining whether to award aid and attendance benefits. There are other circumstances as well that contribute to the discrepancy between those indicating need for assistance and the percentage of parents who receive aid and attendance. For example, parents who reside in Medicaid-supported nursing homes are limited to \$90 per month from

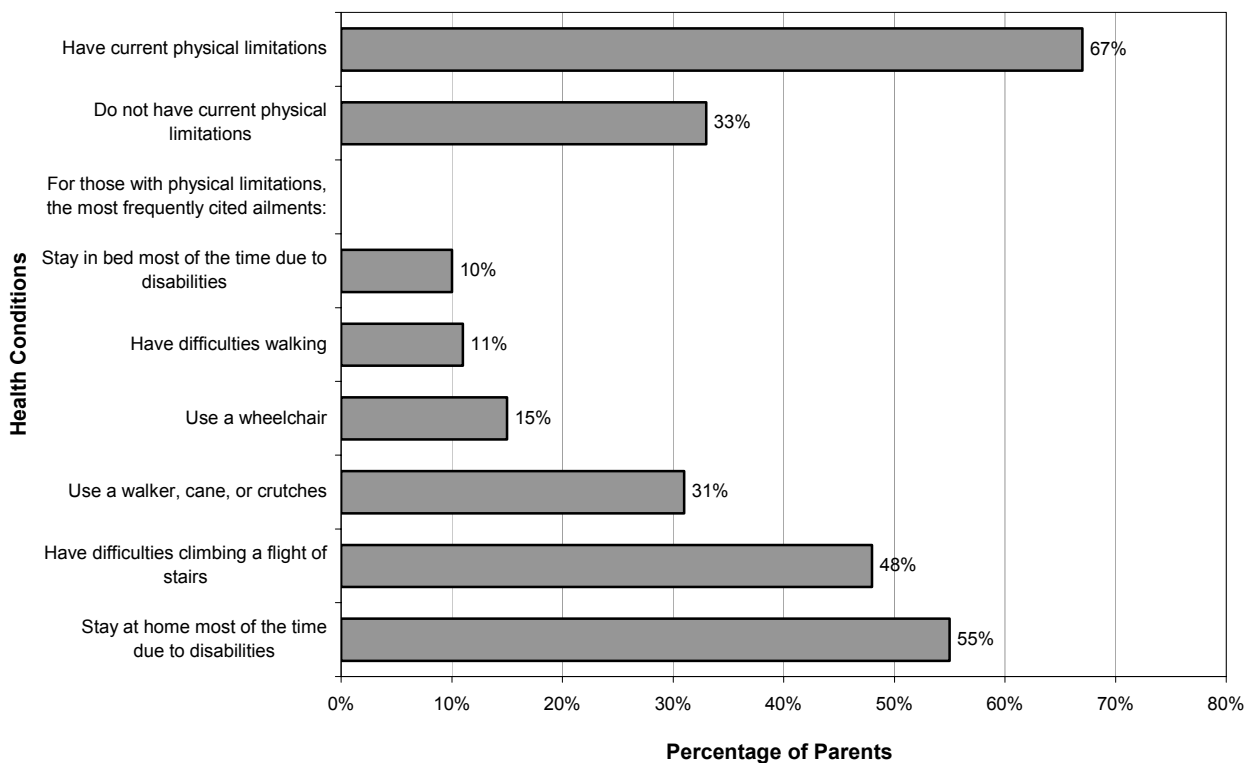
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Parents' DIC and therefore would not receive aid and attendance. Since only 5.7 percent of parents are in nursing homes, the Medicaid limit probably explains only a small part of the discrepancy between parents who report needs for assistance and those who receive aid and attendance. Another confounding factor is that the Parent DIC application asks for information from which qualification for aid and attendance is assessed. The EVR form, which is used to establish ongoing eligibility, however, does not request such information. As a result, parents who become qualified for aid and attendance after initial eligibility may not receive it. Overall, these findings raise questions as to whether all who are eligible for aid and attendance actually receive this benefit.

The analysis indicates that higher percentages of parents who relied on the support of a veteran, those who receive the largest award amounts, and those who are 64 or younger have physical limitations than the overall sample of parent survey respondents. While old age may be an explanation for the health problems of older parents, younger parents receiving Parents' DIC program benefits report a higher incidence of arthritis, stroke, and physical limitations than others (Appendix C, Table 33.2).

Nearly three-fourths (72%) of those who relied on the support of a veteran (601 respondents overall) have physical limitations, with 60 percent of this group staying at home most of the time due to disabilities. Among those receiving the largest award amounts, 79 percent have physical limitations, and 76 percent of those parents aged 64 or younger are physically challenged. Exhibit 4.6 presents the five most frequent physical limitations experienced by parents.

**Exhibit 4.6. Five Most Frequent Physical Limitations Experienced by Parents Receiving Parents' DIC**



Source: Survey of Parents' DIC Participants, Appendix C, Table 33.3 Percentage

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### 4. Do parents need assistance with activities of daily living?

Many parents need assistance with activities of daily living—the basic tasks of personal hygiene, eating, shopping, and keeping their monthly bills in order. Half (50%) of all the parents surveyed need help to remain self-sufficient and independent (Exhibit 4.7). Parents need assistance with shopping (39%), cleaning (36%), cooking (26%), managing money or paying bills on time (24%), and bathing or showering (21%) (Appendix C, Table 33.3). A slightly higher percentage of the 601 parents who relied on a veteran before the veteran's death report needing assistance with activities of daily living (55%). At the \$400 or more award level, the percentage of respondents in this subcategory expressing a need for assistance with the top five tasks identified by the survey respondents is notably greater. Of the 204 respondents receiving the highest benefit amounts, 66 percent report needing assistance with activities of daily living, with about 50 percent needing help to shop and clean, and at least 40 percent indicating that they need help cooking and paying bills (Appendix C, Table 33.3).

**Exhibit 4.7. Five Most Cited Current Assistance Needs of Parents, Overall and by Award Level**

Assistance Needs	Overall Percentage of Parents Requiring Assistance	Percentage by Age		
		65 and Younger	65–79	80 and Older
	N = 1,237	N = 121	N = 586	N = 530
Do not need assistance	50%	55%	56%	43%
Need assistance	50%	45%	44%	57%
Most frequently cited needs of those who need assistance				
Shopping	39%	30%	35%	46%
Cleaning	36%	31%	31%	42%
Cooking	26%	19%	31%	33%
Managing money/Paying bills	24%	15%	17%	33%
Bathing or showering	21%	11%	16%	29%

Source: Survey of Parents' DIC Participants, Appendix C, Table 33.3

As Exhibit 4.7 illustrates, higher percentages of older parents need help with the activities of daily living, with 57 percent of the oldest respondents requiring help. When looking at the top five activities that parents need help to complete, at least 40 percent of the oldest parents need assistance with shopping and cleaning, and about one third need assistance with cooking, managing money/paying bills, and bathing and showering. More than one-third of all parents need help with shopping and cleaning. As parents enter the 80-and-older age group, their need for assistance in managing money and bathing is more than twice that of younger parents.

### 5. Who assists parents with activities of daily living?

While half of all parents surveyed need help with activities of daily living, nearly all (98%) of these 614 respondents receive assistance from someone. Adult children are most often (66%) the providers of assistance for their parents who state that someone regularly helps them manage their limitations.



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Higher percentages of parents who receive \$400 or more in benefits and those who are aged 80 or older rely on adult children to assist them with activities of daily living (72% and 70%, respectively). Home health aides help 17 percent of the parents manage their limitations, while 12 percent of parents receive help from their grandchildren. Only about 5 percent of parents rely on nursing home staff to help them manage their physical limitations. Slightly higher percentages of the 601 parents who received support from their veteran child before his or her death rely on either their adult children (67%) or grandchildren (16%) to help them manage their physical limitations (Appendix C, Table 33.4.1).

Respondents also face challenges when it comes to mobility outside of their homes. A majority of parents (98%) state that they have to make arrangements to travel outside of their homes. Half of the 1,206 respondents with transportation needs ask someone to give them a ride wherever they need to go, while 31 percent use their own vehicle. Seven percent of the respondents rely on public transportation, while 4 percent either rely on nursing home or transportation for the handicapped, or borrow another person's vehicle. Sixty percent of the survey respondents 80 or older (530 of the total respondents) ask someone to give them a ride to meet their transportation needs (Appendix C, Table 53).

### 6. Who receives aid and attendance benefits from VA?

Aid and Attendance Allowance is an additional benefit paid to parents based on the need for aid and attendance by another person or due to a specific disability. Aid and attendance benefits for parents are fixed at an additional \$250 per month (VA Web site, <http://www.vba.va.gov/bln/21/Benefits/#BMA>).

The VA administrative data reveal that 10 percent of the parents receive the aid and attendance benefit. (Source: Appendix C, Table 19). The highest percentages of parents receiving aid and attendance are the oldest parents (15%) and those receiving the largest benefits (37%). Conversely, respondents the least likely to receive aid and attendance are those with the smallest award amounts (0%) and the youngest respondents (3%). The relationship to award amount is expected, since aid and attendance add \$3,000 to the yearly benefit, which is larger than the average Parents' DIC benefit amount—\$2,248. A slight majority of the respondents who report living in a nursing home, assisted-living center, dormitory, or other group setting are receiving aid and attendance (57%) (Source: Appendix C, Table 49.1). The proportion of parents who report staying at home most of the time (13%) or staying in bed most of the time (26%) due to disabilities are more likely to receive aid and attendance than parents overall. However, these percentages are lower than expected, particularly for individuals who stay in bed most of the time due to health problems or disabilities (Source: Appendix C, Table 33.2).

Overall, those who receive aid and attendance benefits are older than those who do not receive these benefits (84 years old and 76 years old, respectively). Proportionately more Whites and Hispanics receive aid and attendance than African Americans.

## C. DO PARENTS HAVE AND USE HEALTH CARE?

A large percentage (96%) of parents have some form of health insurance. Health insurance is defined to be some form of health care coverage provided by a government or private insurer. Examples include private health insurance purchased by the parents or provided by an employer, public programs such as Medicaid or Medicare, and treatment provided by VA or the Department of Defense (DoD) through their health care systems.

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Eighty-six percent of parents have Medicare coverage, and this is expected because of the age profile of surviving parents of veterans. The second most prevalent source of health insurance is Medicaid, also expected because of the low incomes of Parents' DIC program beneficiaries. Conversely, less than 2 percent of parents report having health insurance provided through an employer. Less than 2 percent also report coverage<sup>2</sup> through the VA health care system. They are the parents who qualify by their status as veterans.

Exhibit 4.8 summarizes the percentages of all parents surveyed about their source(s) of health insurance coverage. Some parents report more than one source, so the percentages add to more than 100 percent.

**Exhibit 4.8. Percentage of Parents' DIC Survey Respondents with Various Health Insurance or Health Plans**

Health Insurance or Health Plan	Percentage of Parents
Medicare	85.5%
Medicaid	49.0%
Private insurance purchased by parents	18.1%
Other Government-paid health care	4.5%
Medigap	3.3%
Private insurance paid by employer	1.5%
VA benefits	1.2%
DoD benefits	0.7%
Other	0.8%
Summary	
Total Parents with Health Insurance	95.8%
Total Parents with No Health Insurance	4.2%

*Source: Survey of Parents' DIC Participants, Appendix C, Table 34*

For the small percentage of parents who report that they have no health insurance coverage, the primary sources of health care are public health clinics, hospital emergency rooms, and out-of-pocket purchases of care. More than 13 percent of parents without insurance report that they do not get the health care they need because it is unaffordable. Exhibit 4.9 summarizes the responses of parents without insurance.

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<sup>2</sup> Slightly more than 3 percent of the parents report being veterans themselves. The difference between this percentage and the 1.2 percent who report having VA health care coverage could be attributed to some parents not being qualified to receive VA health care or parents who are unaware that they could be eligible for health care.

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**Exhibit 4.9. Sources of Health Care for Uninsured Parents**

Source of Health Care	Percentage of Uninsured Parents
Go to a private doctor and pay out of pocket	34.6%
Go to a hospital emergency room	30.8%
Use a public health clinic	30.8%
Do not get needed care because it is unaffordable	13.5%
Other source of care	5.8%
Refused to answer	1.9%

*Source: Survey of Parents' DIC Participants, Appendix C, Table 34*

More than 90 percent of all parents report receiving health care services during the 12 months before the survey. Many of the services were provided without charge through one of the insurance sources, primarily Medicare. Exhibit 4.10 summarizes the most frequently used services and the percentage of parents reporting using them. The exhibit includes all parents, those who are eligible and those who are not eligible for VA health care. Doctor visits and prescription medications are the most frequently used health care services (84% and 81%, respectively). Notably, only 20 percent of the parents received dental care in the past 12 months, which highlights dental care as one of the health care needs of the parents, especially considering that 14 percent of parents report not going to the dentist to save money (See Exhibit 8.17).

**Exhibit 4.10. Health Care Services Used in the Past 12 Months**

Type of Health Care Service Used	Percentage of All Parents Using Health Care Services
Doctor visits	83.8%
Prescription medications	81.1%
Eye exams or eyeglasses	58.6%
Laboratory testing or monitoring	56.5%
Emergency room visits	37.3%
Nonprescription medications	32.8%
Walkers, canes, crutches, or other assistive devices	31.2%
Hospitalization	30.1%
Dental care	19.8%
Home health aide	13.7%
Visiting nurse	11.2%
<b>Summary</b>	
Some Health Care Services Used	<b>91.4%</b>
No Health Care Services Used	<b>8.6%</b>

*Source: Survey of Parents' DIC Participants, Appendix C, Table 40a*

Forty-two parents (3.4%) of all parents in the survey are veterans (Appendix C, Table 30). Almost half of these parents (50%) report that they used VA health care services in the past 12 months, 48 percent did not use VA health care services, and 2.4 percent did not know or were unsure whether they had used VA health care services.

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Because of the small numbers involved, it is not possible to draw statistical inferences from the data, but we provide the following information summarizing the veteran parents' responses to survey questions about their experiences with VA health care.

Veteran parents who used VA health care within the past 12 months report as follows:

- ◆ Most report that they used VA care because it was free (62%) or low cost (29%).
- ◆ Half of the VA health care users report difficulties using the services; primary issues reported were wait time, difficulties with transportation and scheduling an appointment, and the poor quality of care.
- ◆ The average distance to the nearest VA health care facility is 43 miles, but the average distance to the VA facility that the parent uses is 63 miles. Reported distances, however, were highly variable.

Among veteran parents who had not used VA health care in the past 12 months, the primary reasons reported are that the parents are not eligible, that the location of the VA facility is inconvenient or that the facility does not provide the type of care they needed, and that they do not need VA care because their primary health insurance covers their needs.

### D. DO PARENTS' DIC BENEFITS DISPLACE EMPLOYMENT?

The following study question relates to the program outcome of *income support*: Are incentives to work preserved for program participants? Our legislative research indicates that preserving work incentives is deemed relevant and important by Congress and the Office of Management and Budget (OMB).

VA officials, Veterans Service Organizations, and Congressional staff expressed the view that the benefit amounts under the Parents' DIC program are too small to create a disincentive to work. In their view, beneficiaries are people who are too old and possibly too disabled to work. These stakeholders also point out that some local economies do not provide opportunities for disabled individuals and that transportation can be a barrier for them. The OMB representative, in contrast, viewed self-sufficiency as a goal and also thought that jobs are available for the disabled and that employability—not disability or age—should be the basis for eligibility for this VA benefit.

The employability of parents depends on factors such as the claimant's age and medical condition. In our survey, respondents were asked about their employment and participation in the labor force. Respondents below age 65 were asked whether they were working, seeking work, or not seeking work. If they were not seeking work, they were asked about barriers to employment (disability, child care, bereavement, health problems, transportation), and the extent to which the dollar-for-dollar reduction in benefits influenced their decision not to pursue employment.

The survey sample contained 119 respondents (9.6% of all respondents) younger than 65 years, who were asked about their employment situation. Almost 8 percent of the 119 respondents indicate that they are employed (or on vacation or on leave from a job), whereas 1.7 percent of respondents say that they are looking for a job. The percentage of respondents employed differed by the award amount:

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The higher the DIC benefit amount, the lower the percentage employed. Among those unemployed and not looking for a job, the average time since they held their last job was 13.5 years.

The tabular analysis indicates that most parents under age 65 are not employed or seeking employment, primarily due to disability or health problems that prohibit employment. According to the survey responses, 86 percent of the 119 survey respondents age 65 or younger are unemployed and not seeking work (Exhibit 4.11). Most of these nonworking parents are disabled or have health problems that prevent them from working (78%). Only 3 percent of these parents indicate that they either did not have the skills required by the workplace or the means of transportation to get to a job (Appendix C, Table 57.3).

**Exhibit 4.11. Parents' Reasons for Not Working or Looking for Work**

<b>Current Employment Status</b>	<b>Percentage</b>
<b>Disabled or have health problems</b>	77.5%
<b>Retired</b>	9.8%
<b>Too many other things to take care of</b>	5.9%
<b>Do not have skills required by the workplace</b>	2.9%
<b>Do not have a car or transportation</b>	2.9%
<b>Depression, bereavement, or coping with loss</b>	2.0%
<b>Stopped looking for work because could not find work</b>	2.0%
<b>No suitable jobs in the area</b>	1.0%
<b>Do not need the money</b>	1.0%
<b>Have difficulty paying for work-related expenses</b>	1.0%
<b>Other</b>	2.0%
<b>Number of parents who are unemployed and not looking for work</b>	102

*Source: Survey of Parents' DIC Participants, Appendix C, Table 57.3*

Of the total population of parent respondents who are under age 65, 16 percent of parents who could be employed believe that job training would help them prepare for employment or improve their employment, but less than 1 percent would use VA vocational rehabilitation services if they were available in the local community, as shown in Exhibit 4.12.

**Exhibit 4.12. Percentage of Parents Indicating That They Would Benefit From Job Training or VA Vocational Rehabilitation Services**

<b>Parents Who Would Benefit From Job Training or VA Vocational Rehabilitation Services</b>	<b>Percentage</b>
<b>Job training would help them prepare for employment or improve employment prospects</b>	16.0%
<b>Would use VA vocational rehabilitation services if they were available in the community</b>	0.8%
<b>Number of parents younger than 65 years old</b>	119

*Source: Survey of Parents' DIC Participants, Appendix C, Table 58*

These results suggest that the health and disability status is the most important cause of parents' unemployment. The benefits parents received from VA also helped them financially, such that only 2.9 percent of those receiving more than \$400 indicated that they were employed.

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Another measure of the incentive to work is to investigate how responsive the number of new claimants and the terminations to conditions of local economies are. The number of new claimants declining in response to a greater availability of jobs, for example, would indicate that the incentive to work is preserved. Our analysis of the new enrollees and terminations and the condition of the economy (i.e., unemployment rates) did not reveal any significant correlation between these two factors.

### E. SUMMARY

About half (49%) of the 1,237 parent respondents, indicate that they previously relied on support from a veteran before the death of their veteran child. The largest age group of parents represented among respondents are aged 65–79 (47%), followed closely by those aged 80 or older (43%). The profile of parents indicates that most beneficiaries are White women in their mid-to-late seventies and are not highly educated. Additionally, half of the parents had some of their financial needs met by a veteran child before the death of that veteran. Most of the parents interviewed (65%) have also been widowed for a long time, averaging 22 years since their spouse's death. These parents are in fair-to-poor health, with an average of four concurrent health problems. Two-thirds of all the parents surveyed (67%) have a physical limitation that affects their activities of daily living. Half (50%) of all the parents surveyed need help to compensate for physical limitations, including assistance to complete the tasks that help them manage their self-sufficiency and independence. A majority of the parents live by themselves, and those who do live with other people have adult children who are not in school and grandchildren living with them. Almost 48 percent of parents are homeowners.

Although half of the survey respondents express a need for assistance due to health problems or disabilities, only 10 percent of survey respondents (and 14 percent of the population, according to administrative records) receive aid and attendance benefits from VA. Medical necessity must be established to qualify for aid and attendance, and those who express need may not qualify on the basis of medical need. Further, the DIC benefit is limited to \$90 per month for those in Medicaid-supported nursing homes, and parents in these circumstances would not be paid the additional \$250 per month for aid and attendance. However, few parents are in nursing homes (5% according to VA's administrative records and 4% according to survey responses), and only about half of those living in nursing homes receive aid and attendance. Another possible explanation is that only the application collects information for qualifying parents for aid and attendance. As parents age and their health declines, they may become eligible for aid and attendance, even if they were not eligible at the time they initially applied. However, the Eligibility Verification Report form that VA uses to establish ongoing eligibility does not request information pertaining to aid and attendance. Consequently, some of those eligible for this benefit may not receive it.

Most parents have health care coverage, primarily through Medicare, and use health care services. A small minority of parents (4.2%) have no health care coverage, and less than 1 percent report that they do not use any health care services because they cannot afford it. The remaining parents go to emergency rooms, pay out of pocket, or use public health clinics. The primary health care services used by Parents' DIC program participants are doctor visits, prescription medicines, eye exams and glasses, and laboratory tests. The least used types of care include dental care, home health aides, and visiting nurses.

Given their age, most DIC program parents are not employed. Among those under age 65 who are not employed, health and disabilities are the most often cited reasons for not working. The Parents' DIC program does not seem to be displacing work.